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FM AMEMBASSY SANTIAGO  
TO RUEHC/SECSTATE WASHDC 4342  
INFO RUEHAC/AMEMBASSY ASUNCION 3743  
RUEHBO/AMEMBASSY BOGOTA 2270  
RUEHBU/AMEMBASSY BUENOS AIRES 1258  
RUEHBR/AMEMBASSY BRASILIA 0655  
RUEHCV/AMEMBASSY CARACAS 1930  
RUEHPE/AMEMBASSY LIMA 5931  
RUEHMN/AMEMBASSY MONTEVIDEO 4203  
RUEHQT/AMEMBASSY QUITO 2116  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000091

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)

SUBJECT: CHILE MEDIA REPORT - JANUARY 30

#### Leading Stories

1. Dailies continued with extensive reporting on the effects of the Cencosud conglomerate's decision to stop construction of its US\$600 million, three-tower Costanera Center project. The media is portraying this development as representative of Chile's economic crisis. Dailies also continue to report on the investigation into the Mirage sale scandal.

#### U.S.-Related News

2. The Iraqi government will not renew Blackwater's permit to supply security services for U.S. diplomatic personnel in Baghdad. According to U.N. figures, 750 Chileans were working for Blackwater in January 2007. The USG and Iraq authorities lost trust in Blackwater when six of its employees murdered 17 Iraqis, including children, and injured another 20 in Baghdad in 2007. A U.S. court found five employees guilty of homicide and of attacking the Iraqi population (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 1/30; La Segunda, conservative, afternoon, circ. 33,000, 1/29).

3. The New York South District Court charged Chilean Mauricio Mazza with money laundering and conspiracy. Mazza, owner of several money exchange offices, was arrested in the United States in 2007, carrying 2.5 million Euros in cash. In Chile he is under investigation for money laundering and ties with the Colombian narcotics organization "Los Pepes" (El Mercurio, 1/29).

4. In a press conference yesterday, Wal-Mart CEO Craig Herkert said that experience shows that imposing a U.S. model on local markets does not work and that, therefore, D&S would retain its brand. Herkert also said the company plans to open 60 new stores by 2010, which would amount to a US\$200 million investment. With regard to Wal-Mart's ban to sell products from Iraq, Cuba, or Venezuela, Herkert stressed, "This is not a company policy, but a U.S. law" (Estrategia, business and financial, circ. 30,000; La Tercera, conservative, independent, circ. 101,000, 1/23).

#### Local

5. The Santiago Court of Appeals unanimously upheld the sentences dictated by Judge Alejandro Solis against the director and agents of the military regime's repressive entity DINA for the murder of Army Commander-in-Chief Carlos Prats and his wife on September 30, 1974. Dina Director Manuel Contreras was sentenced to two life terms.

Other sentences ranged from 10 to 60 years (El Mercurio, 1/30). La Nacion (government-owned, editorially independent) notes that this is the first time that a court of justice refers to the DINA as a "terrorist organization."

16. The dossier of the investigation of the 63 explosive devices placed in the Metropolitan Region since 2005, includes a report drafted by criminologist Erik Marin on anarchist activities in Chile. Marin states the police have mistakenly focused on subversive groups, when it is clear that these bombings differ significantly from those conducted by subversive groups. Anarchists, wrote Marin, blend into mainstream society. They are college students or middle-class working class individuals who are part of the "capitalist" system that they claim to abhor. They also belong to organizations that promote indigenous rights, environmental causes, or demand greater freedom from the state, but through violent action and with the support of NGOs that share their views. They use simple intelligence and communicate through the Internet. Usually three individuals participate in placing the bombs anytime between 11:30 pm and 1 am. They do not carry weapons (El Mercurio, 1/30).

SIMONS